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Osborne, John Ball

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**An Analysis of the Government Ownership
Question**

By J. B. OSBORNE

HEARSTISM



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**An Analysis of the Government Ownership
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HEARSTISM

By
J. B. OSBORNE

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PREFACE.

The title of this little work was suggested by reason of the fact that William Randolph Hearst is the most prominent advocate of the principles of government ownership in the United States. It is the intention of the author to treat of the Government Ownership movement at this time only in a general way. Within a few weeks he expects to make a trip to Australia and New Zealand for the purpose of studying the economic conditions and the effects of government ownership in those countries. The data thus collected will be published in a larger work to which the present booklet is merely introductory.

J. B. OSBORNE.

Feb. 2nd, 1906.

Los Angeles, Cal.

INTRODUCTION.

When I was a boy about eleven years old I lived in the mountains of North Georgia. The nearest town was about forty miles away and as I had been there only twice, I knew very little about town life or town people. One day I heard there was to be a circus in town and like the proverbial boy I gave my mother no rest until she gave me permission to see it. The weeks that I had to wait seemed like years, but the great day came at last and after a sleepless night I was up and had my mule saddled before daybreak. Breakfast had no attraction for me and my mother, unable to restrain my impatience any longer, gave me fifty cents and started me on the happy journey, making me first promise that I would come home immediately after having seen the circus.

The first thing I saw on arriving in town was the large bill-boards with bright and gorgeous pictures; pictures of animals, pictures of women jumping through hoops of fire, etc. I thought these pictures were the circus and was admiring them with open-mouthed wonder when I heard a noise, a tooting of horns and the tramp of horses; and, turning about, I saw the street thronged with people and down their midst came a most wonderful procession. There were elephants, giraffes and monkeys; a man in a cage of lions and a woman in another cage with snakes twined about her neck. There were banners and bunting, gaily bedecked horses and gaily dressed riders, and, last of all, the steam piano. It was a glorious sight. Could anything be more wonderful than this?

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I was enchanted, charmed and dazzled; but when it was all over no one had yet asked me for my money. I approached a man standing near and asked, "Mister, whom do you pay for seeing this circus?" And the man said, "You pay me." I paid him my fifty cents, got on my mule and went home and did not find out till several days later that I had only seen the parade. I did not even know that there was a big tent with rings and clowns and reserved seats.

And I have often thought that in regard to this great circus that we call civilization the majority of the people are still doing as I did when a boy. The great working, producing class, producing the world's wealth, performing all service necessary to the existence of society, are seeing only the parade. They are dazzled by the pomp of presidents, the splendor of kings, the bright uniforms of the soldiers of the ruling class, the fine equipages of their masters, the fire-works and torch light processions the day before election, but they never occupy seats on the inside of the big tent where is to be seen the circus of civilization. The fact is, they do not know there is a big tent. We never will be able to interpret politics, literature, history, or any social phenomena; we will never know why all this social unrest, this turmoil, this struggle for existence on every hand; in fact we never can interpret life until we become conscious of the class character of the present and all hitherto existing society. And the reader must keep this fact in mind if he wishes to properly understand the subjects treated in the following pages.

Society does not always move, or grow, or express itself as we would like to have it do; but it does move

and grow and express itself by the law of economic determinism; and as economic development is in a constant state of change, society itself is in a constant state of change or process of development. The wisest and most effective plan for social progress would be that plan that worked in harmony with economic development; but a great many earnest and honest men and women who are not yet acquainted with the laws of social growth, but who are anxious to do something for the relief of the suffering poor, "the horny handed sons of toil," or an outraged public, ally themselves with all kinds of protest movements such as the movement for the municipal ownership of public utilities led by William Randolph Hearst in New York, Mayor Dunne of Chicago, and the Mayor Schmitz Union Labor Party of San Francisco and California. It is my purpose in the treatment of this subject not so much to criticise the Hearst or kindred movements as to point out their inefficiency as a solution of the present economic problem, and to make plain what the economic and political battles of the present and immediate future really mean.

THE ECONOMIC BASIS OF THE GOVERNMENT OWNERSHIP MOVEMENT AND REFORM PARTIES.

Hearstism with its daily newspapers and political agitation against certain trusts and certain corporate wealth is not altogether useless and will likely be quite effective in preparing the public mind for the acceptance of the ideals of the now growing, struggling, marching proletariat. But any political movement promising to live and succeed for any length of time must be based on the

necessities of a distinct economic class in society and this class must be numerous and strong enough to successfully cope with all other classes in the struggle for existence. But when we begin to analyze the class character of the new government ownership movement we find that it has no such economic basis as to guarantee its duration for any considerable time. Practically it seeks a coalition between the small capitalist class, ever growing smaller numerically as a result of capitalist concentration, and the farm-owning farmers; and like all other political movements it implores the working class in the name of God and home and native land to come join them and help them lick the other fellow, the other fellow in this case meaning the big capitalist.

In the past such movements have been more or less successful and the working class has been more or less benefited by them, but the time when this was possible is now past. A hundred years ago in England, when the power of the capitalist class, whose revenue was profits, had become about equal to that of the landed aristocracy, whose revenue was rent, each sought to cripple and undermine the interest and influence of the other. Hence we see a wealthy manufacturer, Villiers, in the House of Commons, every year proposing measures for the abolition of the duty on corn and a large land owner, Lord Ashley, pleading with tears in his eyes, for factory legislation.

This struggle growing very fierce between the landed interests on the one side and capitalist property on the other resulted in a benefit to the working class, reducing both their hours of labor and the cost of living. And in our own country fifty years ago and more, when the

struggle was severe between the agrarian slave owning class of the South, practically landed interests, and the trading, commercial and manufacturing class of the North, the capitalist class, the capitalists, yet being in the minority, sought a coalition with the working class and hence for the first time in the history of our country non-proprietary workingmen were given the franchise by the State of New York in 1821. As the contest grew more severe, workingmen in other northern states were given the franchise; hence out of the struggle of the capitalist class the working men in general acquired citizenship; and by the success of the capitalist class in this struggle the slave laborers of the South were converted into wage laborers and also given the franchise. Since the disappearance of the slave owning agrarian class as a controlling factor in the political and economic life of this country the power and strength, development and full sway of the capitalist class has been ever and ever on the increase. The decline of the power of landed interests has not been more clearly shown anywhere than in the United States, where it has allied itself first with the large capitalist interests and occasionally with the workingmen's movements.

Loria, in his "Economic Foundations of Society," says on this point: "Thus in California the agrarian party and the big capitalists and manufacturers were united at first in opposition to the legislation demanded by the laboring classes to exclude the Chinese and repress the abuses of the railroad companies. But as the power of the big capitalists continued to increase they became overweening in their demands upon the landed proprietors. The latter thereupon made an alliance with

the popular party, led by Kearney, and supported the agitation toward the adoption of a constitution that was little short of radical. This alliance between landed property and the people resulted in the election of a convention which proposed a constitution that was subsequently approved by the people. The constitution adopted was as favorable to landed property as it was hostile to capital, for it burdened manufacturing industries with heavy taxes, forbade big monopoly companies to water their stock or employ Chinese labor, and confined the duty of determining railroad rates to a supervisory committee. This occurred in 1879. But the moment the landed proprietors, with the aid of the popular faction, succeeded in inflicting a defeat upon the rival revenue, they hastened to free themselves from their embarrassing ally and abandoned the popular party to its own designs. In fact, when it came the time to elect the legislature that was to put the new constitution into effect, the victorious proprietors took pains not to vote for the candidates of the popular party, but supported the candidates of the Democratic party instead, thus scattering their votes and assuring the success of the Republicans, or, in other words, of the Conservative element. Thus the new constitution, though anti-capitalistic in spirit, came to be applied in an eminently capitalistic manner, and the sharp points directed at the big corporations were prudently blunted by its partisan executors. In this way the capitalists' arrogance toward the landed proprietors was checked, but all that part of the new constitution which looked to the advantage of the laboring classes remained a dead letter, with the exception of a single clause." This

clause refers to Chinese exclusion and has been made a dead letter by the present administration.

In the last few years capitalist concentration has gone on to such a great extent that thousands upon thousands of small business men have been forced out of business and into the ranks of the wage workers, thus reducing numerically the small capitalist class and permanently changing the basis of society in this country from agrarian to capitalist, that is, from an agricultural basis to a trading, commercial and manufacturing basis. With capitalist development only one class grows larger and larger numerically, and its struggle for existence becomes ever and ever more intense. This class is the producing, wage-working proletariat. This class is not interested in government ownership under capitalism because its interest can be served only by the complete abolition of capitalist society, based as it is on the exploitation of labor.

The time for compromise in America has passed. Alliances between the small capitalist and agrarian elements can no longer offer the least hope of success. There are only two sides to the economic question of our times. There are only two classes in the struggle. On the one side is the whole of capitalist property, its dividends, its profits. On the other side are the liberties and lives of the great working, producing class. On one side is the great capitalist class intrenched with all the power of government. On the other, the exploited, outraged and outlawed proletariat ever becoming more conscious of its interests and organizing its forces for the conquest of the political power and the mastery of the civilization its labor and brains alone have builded.

GOVERNMENT OWNERSHIP UNDER CAPITALISM CANNOT BE CONSUMMATED WITHOUT THE CONSENT OF THE LARGE CAPITALISTS.

In the last chapter we have shown the rule of the large capitalist class to be supreme, this supremacy being based on their private ownership of the machinery of social production, including not only public utilities, railways, telegraphs, etc., but mills, mines, shops and factories, the government being simply an instrument through which they maintain their economic mastery and power of exploitation and by means of which they force their arbitrary will in the management of industry. Having both the economic and political power of the nation they also have the money of the country. Our government ownership advocates do not propose to confiscate the railways or municipal utilities. They propose to buy them, and the only possible way they can buy them, recognizing capitalist law and rights of capitalist property, is to borrow the money from the capitalist. Behold the spectacle of Hearst, Dunne, Schmitz, et al., going out to fight the big capitalist and asking the big capitalist to loan them the money to do it with, for that is exactly what it means!

It seems to me that it would be quite impossible, under capitalism, with the present money system, for society to acquire the means of production and pay for them. Take the question of municipal ownership of public utilities under capitalism, and we will suppose that San Francisco, New York, Boston, Chicago, St. Louis, Los Angeles and other large cities would at about the same time want to sell municipal bonds for the purpose of taking over from private ownership the property

of municipal corporations. The amount of money would be so enormous that it would be almost impossible to obtain it. And in no case could it be obtained without the consent of the capitalist class; and they would not consent unless they were thoroughly satisfied that municipal ownership of public utilities was in their interest and the interest of capitalist property.

Seven years ago the city of Denver issued \$3,000,000 worth of bonds for the purpose of acquiring the Denver Union Water Company's plant, but the capitalists did not buy the bonds, and the water company is still private property, earning profits and paying dividends. I am aware that this argument would be met with the statement that the government has acquired ownership in Australia, Germany and other European countries, and that various European municipal governments have acquired municipal ownership of their public utilities. But in this connection there are two things we must remember; first, that the railroads of these countries are small both in regard to mileage and value, in comparison with those of the United States. The same is true of the public utilities of European cities. Second, at the time of their acquisition there was a large and powerful landed interest to support such measures. But nowhere has capitalist development proceeded so rapidly nor the rule of the capitalist class become more absolute than in the United States. It is this fact that to my mind makes government ownership under capitalism in this country entirely out of the question without the consent of the great capitalist class.

Of course, it is possible that the time may come when the capitalists will deem such a measure a protection to

capitalist property as a whole. We are all aware of a growing sentiment against the power of concentrated wealth and that both economic and political orthodoxy are becoming more and more intolerable, and that all of the industrial centers in the nation, in fact the nation itself, is being honeycombed by a revolutionary, political organization whose purpose it is to convert all capitalist property into social property, thus abolishing the wage system, profits, dividends and power of exploitation of the capitalist class. And it may be as this revolutionary organization becomes strong enough to threaten the stability and supremacy of the present ruling class, the capitalists themselves might favor the government ownership of railroads, etc., as a method of making more secure the whole of capitalist property. Capitalist property in general has but one value and that value is its profit earning, dividend paying capacity. The capitalist class is a collectivity, a small portion of society, and capitalist property is not owned individually, but by this collectivity. No one man owns a great railroad or a specified part thereof, or the steel trust or any particular mill thereof. These capitalist properties are owned by stockholders, who invest in stocks of certain concerns for the purpose of receiving dividends or profits; hence we see capitalist property is owned simply as an investment, and it is quite likely that it would make little difference to the present owners of the capitalist property whether they received their dividends directly from the profits of industry or as interest from municipal or government bonds.

For instance, we will say the stockholders of the street railways in San Francisco or Chicago are now receiving

an annual dividend from their investments of 7 per cent. Suppose we transfer these utilities from corporate to municipal ownership. We can do this only by giving the capitalists municipal bonds, covering at least the full value of this property, and as I have said the value of capitalist property can only be measured by its dividend paying capacity. We would then pay an amount in interest on the bonds almost if not quite equivalent to the dividends received by the stockholders of such properties. There would, however, be this difference; today the stockholders own only the street railway properties of these cities; as bondholders they will not only have a mortgage on the street railway property but on the entire property of the city and on the individual property of all of its citizens, as well as a mortgage on the productive energy of the working class of the community for many years to come, and at the same time have the government in its own hand acting simply as a committee to execute its will and perform its bidding. The government thus becomes an instrument with which the capitalist class collects and pays itself its own dividends, interests or profits, whichever you like to call them.

It has been argued that government ownership is a natural economic development, is a step in the right direction and therefore the working class and all working class movements should assist in its accomplishment. One might as well say, the elimination of competition, the organization of the trust, was a necessary economic development, a step in the right direction, and therefore the working class should be in favor of the trust. Capitalist economic development is the work of the capitalist class. It is to their interest also to make capitalism toler-

able, but none of this is the business of the world's workers. The only business of the working class is to accomplish the social revolution, convert capitalist society into a co-operative commonwealth at the earliest possible moment when the material conditions have been prepared for the existence of this new social order.

GOVERNMENT OWNERSHIP UNDER CAPITALISM NO ECONOMIC ADVANTAGE TO THE WORKING CLASS.

It might be of immediate benefit to property owners in the outskirts or suburban districts of a city to have municipal ownership of street railways, for instance, if by such ownership street railway fares could be reduced, for this would increase the demand for houses in the suburbs and thus increase the value of such property. But the increased demand for houses in the suburbs thus created would also bring with it an increase in price of rent to the tenant. We know today the nearer down town we live the higher the rent, and the further out of town the lower rent. I live down town near enough to walk to work, but have to pay fifteen dollars a month for rent. Another man lives in the suburbs and has to pay only twelve dollars a month for rent for the same sized house, but he has to pay three dollars a month to go to and from town, for at the present time we have to pay five-cent street car fares. Now we will take over the street railways, municipally own and operate them and admit for the sake of argument that we could reduce street car fare to one cent. This immediately creates a demand for houses in the suburbs and the suburban

landlord at once raises the price of rent and thus what the suburban tenant saves in street car fare the landlord appropriates in increased rents.

It would be to the interest of landlords to have lower water rates, but this would not necessarily reduce the price of rent paid by the tenant by any means. We will say that the keeper of a workingman's boarding house now has to pay ten dollars a month for water. We do not suppose for an instant, if his water rate was reduced to three dollars a month, that he would correspondingly reduce the cost of board to his boarders. But on the other hand, if cheaper street car fares, cheaper water, etc., could by any means accrue to the benefit of the worker, then the ultimate condition would be that the wages of the working class would be correspondingly reduced in proportion as the cost of living had been decreased.

Labor under capitalism is a commodity; is bought and sold in the markets of the world like other commodities; therefore its price, like the price of other commodities is ultimately determined by the cost of production. The price paid for labor power is called wages and the wages of the working class in all countries is determined by the average cost of living for the working class. In other words, the price of the commodity, labor power, in all countries is determined by the cost of its production. Therefore, so long as the wage system exists the entire wealth produced by labor becomes the property of the capitalist class. Government ownership can in no way mitigate this fact.

With the farmers there is a great deal of complaint of railroad extortion and more or less desire manifested for

government ownership of railroads, as they think such a measure would serve their material interests. Their complaint now is that it costs so much to get their commodities to market that by the time they get through paying freight they have very little left for themselves. But the farmer must remember that his congealed labor power crystallized in commodities comes under the same law as labor and all other commodities; that is, the price of commodities produced on the farm must ultimately be regulated by the cost of their production, which, of course includes getting them to market. Therefore, if the cost of getting farm products to market is reduced then it will naturally follow that the price of these products will be correspondingly reduced.

Government ownership of railroads, telegraphs, etc., has neither solved nor aided in the solution of the economic problem of the working, producing class in any country in the world. Australia has government ownership of its railways, but the labor question there becomes more and more important. Germany has government ownership of railways, telegraphs, etc., but this has in no way settled the economic problem for the German people; and in no country has the working class revolutionary movement grown more rapidly and intelligently. It is quite easy for the most casual observer to notice that the government ownership of railways, telegraphs, etc., in Russia has in no way improved the economic condition for the working class in the city, or that of the peasants in the rural districts.

It has been said that government employees are more secure and work under better conditions than the employees of private concerns, but it seems to me that this

statement is hardly borne out by the facts. Only a short time ago, I read in the Associated Press dispatches of a strike of railway employees in Hungary. The government in Hungary owns the railroads and in this instance the government shot and killed several of its employees who had the temerity to go on strike. Some individual employers are very cruel, but I have never heard of any of them shooting their striking employees. And here in the United States, where the government owns the postal system, postal employees are lawfully prohibited from asking or petitioning for an increase in wages, and can ask for an improvement of the conditions under which they labor only on pain and penalty of dismissal. At any rate, the working class will find their economic servitude just as galling working for a capitalist owned government industry as for a privately owned capitalist industry, and the economic problem will not be solved until the workers themselves collectively own and democratically manage all the means of social production.

I have already said that there is no time and place for compromise in considering the economic problem of our time. Capitalism, with its entire profit system, is either useful and right, or it is useless and wrong. Why would Mr. Hearst, Mr. Dunne and such men want to prevent the railways, the lighting companies, telegraph companies, etc., from earning profits and paying dividends out of the business in which they are engaged, and have nothing to say about the abolition of the power of exploitation growing out of the private ownership of all other capitalist property? If a newspaper trust is a good thing, why isn't an oil trust equally as good? If it is all right, to make profits through bonanza farming why is it wrong

to make profits through the organization of the steel industry on a large scale? The truth is, the government ownership movement does not intend to abolish the exploitation of the working class. The working class must learn that no Moses will ever come to lead it out of industrial bondage and that if it is ever free it must accomplish its own emancipation by the abolition of the whole capitalist system.

It is frequently claimed that the revenues derived from public utilities under municipal ownership would materially reduce the expenses of government and cause a consequent reduction in taxes. The working class, however, as a working class, has no interest in the question of taxation as it does not matter to them whether taxes are four mills or forty mills on the dollar. While labor produces all wealth, the entire product of wage labor belongs to the capitalist class, the laborer being allowed only a wage, a portion of his product, the amount of this wage being determined by the average cost of living for the working class; therefore taxes are paid out of that part of wealth appropriated by the capitalist and not out of the wages received by the workers. There is, however, among the proprietors a very lively interest in the subject of taxation. The larger capitalist class are interested in shifting the burden of taxation from corporate property to other forms of property; and the class of small proprietors are interested in making the trusts pay their share of taxes in order that their own taxes might be correspondingly reduced. And landlords in general, not stockholders in corporate property, would naturally be in favor of government ownership of public utilities, if it can be shown that the revenue derived

therefrom would result in reduction of taxes. For instance, if I owned large newspaper buildings or a canning factory and had no interest in and received no dividends from municipal corporations, and my taxes now amounted to \$40,000 a year, and if through municipal ownership of public utilities my taxes could be reduced to \$20,000 a year, I would be in favor of municipal ownership to the extent of \$20,000 a year. As I said before the working class are not proprietors and therefore not interested in the subject of taxation. It is true that a considerable number of wage workers own their own homes, but the amount of taxes paid by them as home owners is so small that their interest as proprietors and tax payers is insignificant compared with their interest as proletarians, ever struggling for the abolition of all forms of exploitation.

(Any one desiring further information on the subject of taxation would be amply repaid by reading a pamphlet entitled, "Taxation," by Lucien Saniel.)

GOVERNMENT CONTROL AND WHY IT IS A FAILURE.

Emerson says in his essay on politics, "Laws pertaining to property will be made by property," and he is quite right. This means that, as a rule, laws pertaining to insurance companies will be made by those companies; laws pertaining to mining property will be made by the owners of mining property; laws pertaining to railroad property will be made by the railroads, and surely the history of railroad legislation in California and the whole country establishes this fact. The law in theory is often

very different from the law in fact. Legally the state has a right to regulate the freights and fares of railroad corporations; the city has a right to regulate the charges of water companies, street railway corporations, etc. This right of public control grows out of, or is based on the law of eminent domain which presupposes the sovereignty of the people, and that the life and liberty of society should be the chief consideration of the government. The constitution of the State of Mississippi in regard to this point reads as follows: "The law of eminent domain shall never be so abridged, or construed in such manner as will prevent the legislature from at any time taking possession of the franchises and properties of incorporated companies and subjecting them to public use." Most state constitutions have similar language; and in the present session of Congress efforts are being made to enlarge the powers of the Interstate Commerce Commission for the purpose, it is said, to more completely control the rates of trans-continental railways, but the Interstate Commerce Commission would be no more effective in controlling the railways of the nation than the various state railway commissioners have been in controlling them within the state.

When a railway or similar corporation is given a franchise and thereby a certain monopoly on the business in which it is engaged, it is given this exclusive privilege on the ground that it is to do business for the public good and the general welfare; and to see that this condition is fulfilled the state or city reserves the right to regulate fares, freights, tolls or charges of such corporations. We therefore have state railway commissions,

interstate commerce commissions; and in municipal governments, the city council has conferred upon it power to control municipal corporations, to fix their charges, etc. The idea of this public control is to so regulate the charges of corporations that they will be unable to take any more money from the people than the service they render the people costs the corporation. If this principle of law was to be enforced it would make it impossible for water companies, telephone companies, street railways and other railway companies to pay dividends to their stockholders and as these stockholders have no other interest in the ownership of such properties except as receivers of dividends and profits, to them the value of their property would be as completely destroyed as if the property itself had been confiscated. Of course, we know beforehand that no corporation is going to do business for the public good and the general welfare; and, in fact, we do not know of any one else in business on that basis. We can hardly expect to find more virtue in railroad or telephone companies than in any other kind of business based on the profit system. And we may be quite sure that no political movement or political party (government ownership or otherwise) standing for capitalism and for the dividends and profits of capitalist property, is going to in any way enforce this principle of legal control of corporate property, because to destroy the value of this kind of capitalist property would endanger the whole of capitalist property and, in fact, capitalist society itself. The socialist party, the party of the working class, alone takes this position. But this is a revolutionary, and at the present time, an outlawed

political movement. The law in the United States and in the various states at the present time is the rule of the capitalist class and you can patch up things as you like, doctor up the system as you may, protest against the trust as loud as you please, but the law, the prevailing conceptions of justice, of liberty and morality will be made by and enforced in the interest of the capitalist class and capitalist property, until capitalism itself is overwhelmed and wage slavery abolished.

During the great American Railway Union strike in Chicago, federal troops were asked for by the railway corporations and the President of the United States sent the troops into Illinois over the protest of the Governor of that state. Two years ago in Colorado, when the constitutional rights of the working class were trampled under foot by the state militia and their right to life and property made a mere mockery, they also asked the President of the United States to send federal troops into Colorado to preserve the rights and liberties of its citizens. The President then replied that he could send federal troops into a state only on the request of the Governor of that state.

Three years ago in the state of Colorado an eight-hour constitutional amendment was passed by a majority of over 40,000, but has not yet been put into operation. Seven or eight years ago in South Dakota an amendment was made to the state constitution giving the people the right to initiate legislation and have all the laws submitted to the people for popular approval or rejection. This amendment was declared unconstitutional by the state supreme court. A similar amendment was passed

in Utah six years ago and one in Oregon five years ago, but in neither state have they been put in operation; and a recent court decision in California has declared the principle of public recall unconstitutional on the ground that "our government is a republic, not a democracy." The California judge is quite right. We do not have the rule of the people. Mayors and councils, governors and legislators, presidents and congresses are not elected to serve or represent the interests of the people. They are mere puppets of the economic and financial masters. It is impossible for any public official today to serve the interests of all the people in the city, state, or nation. He must serve either the interest of the ruling class, the exploiters, or the interest of the outlawed class, the outraged and exploited; and what is good for one of these is not good for the other. What is to the interest of the horsefly is not a good thing for the horse; and it is just as impossible to pass or administer laws that would serve both the interest of the exploited and exploiter as to establish a system of justice that would satisfy both the horse and the horsefly.

The passage, enforcement and interpretation of law today is in the hands of the capitalist class and what is in their interest is lawful, moral and just. Anything opposed to their interest is unlawful, immoral and unjust. Fifty years ago the southern slave owners constituted the dominant, political class in America, and had occupied this position of supremacy from the very foundation of the government up to 1860. Up to that time the prevailing ideals of law, morality and justice were those of the slave owning class and therefore in harmony with

their economic interests. Chattel slavery was not only moral, but even of divine origin. It was also just, lawful and constitutional. But as a result of the class struggle between the trading and manufacturing class of the north and the slave owning class of the south which culminated in the civil war and the extinction of the slave owning class, there was a great revolution wrought in our conceptions of what is lawful, just and moral.

The prevailing conception of these things today is in harmony with the interest of the capitalist class. Today it is lawful, moral and just for 1,700,000 little children to work in mills, mines, shops and factories, to have their lives ground out in the great mill of economic might, into capitalist profits; and for labor to perform all necessary and useful service for the existence of society and have no voice in the management of industry; to produce the world's wealth and receive only a subsistence. The ideal of the capitalist class is profit. Everything is moral and lawful that makes profit. Everything that would interfere with profits and dividends is outlawed. Government control of corporations has been and will be a failure for the reason that the same class that owns the corporations also owns the government and administers the laws. Capitalist class government ownership would not improve the situation or solve the problem. Suppose I own a cow. In the course of time the cow has a calf. Does not the calf also become my property? The capitalists own the government. In the course of time the government has a railroad. Does not the railroad also become the property of the capitalist?

The capitalists have no power to produce wealth, but they have power to expropriate the entire product of labor. They also have power to make this expropriation legal and just. The time is not far distant, however, when the great, working, producing class will conquer the political power and then in their turn the expropriators will be legally expropriated. Some intelligent people, however, claim the capitalists will forcibly resist being legally expropriated, but I must disagree with this opinion, because the present capitalist class is both intelligent and cultured, and the defender and exponent of law and order, and I would not like to believe that these gentlemen would become open rebels against the constituted social authority. The working class has peacefully submitted for many long years to capitalist law and authority, and I am willing to believe that the capitalist class will be just as good when their turn comes to be good and accept the rule, authority and law of another class (the working class) which will benevolently assimilate all other classes into its own ranks, thus putting an end to the class struggle and giving birth to an associated humanity. The law is today the rule of that portion of society that owns the means of wealth production; and just so when these means of wealth production are owned collectively, the collective will will be the law. And this collective ownership of and democratic management of all the material instruments of social production is the only solution for the trust problem and the impending, industrial, world crisis.

SOME POLITICAL ASPECTS.

On February 4, 1906, a republican daily, the St. Joseph Gazette, printed an editorial from which we quote:

"Fight at this particular time about the only men who might be said to have a 'look in' for the presidency on the democratic side are William Jennings Bryan, Joseph Wingate Folk and William Randolph Hearst. * * * Within the last half year that man Hearst has come to loom large on the horizon of American politics as a factor not to be overlooked. In the matter of self-exploitation he is little less than a wonder, and he is just shrewd enough to advocate those things dear to the heart of the discontented and defeated. But Hearst's candidacy would be handicapped as would the candidacy of either Colonel Bryan or Governor Folk, by the fear on the part of the conservative element in this country that the triumph of Hearst would be a long, long stride and a dangerous one toward socialism, which to many is but a synonym for anarchy."

The working class have always fought the battles of their masters, in war, in industry and in politics, and this will continue to be the case until the working class becomes conscious of its own interest, its own strength, its own greatness and its own historic mission as a class. Wherever a political faction of the ruling class is engaged in a struggle with another section of the same class, or when they have political ambition to gratify they seek to make allies of the workers, but as soon as their fight is lost or won their alliance with the workers is immediately discontinued. In every political campaign

in the United States everything that has been advocated has always been in the interest of the working man. The protective tariff would bring him an abundance of prosperity and give economic security to his children for generations to come, and free trade or tariff for revenue only would forever rid him of the exploiting power of the robber trusts. The gold standard was for his benefit. Free silver was especially in his interest, in fact, his only salvation. Prohibition would be to his economic advantage and anti-prohibition protected his liberty. Imperialism was the thing to open up the markets for his products and give him steady work and anti-imperialism was the only thing that could preserve his political liberties.

Yet with all the interest manifested by the capitalist political parties in the welfare of the working class, he still remains in a condition of economic servitude. About the only legislation that has been enacted in his interest is that along the line of prison reform, as his is the only class doing penal servitude.

We have already shown that the alliance made in California in 1879 between a labor party, the Kearneyites, and an agrarian party against the Southern Pacific Railway and the large capitalist class, resulted finally in the agrarian party going over to the large capitalists and abandoning the labor element. The People's party also was an effort to combine the farmers and the wage workers in a movement against the large capitalist; and the working class in many cities of this country valiantly supported the Populist party, but after a few years this alliance was broken; and at the People's party national convention at St. Louis the agrarian element, led by

shrewd politicians, went over to a section of the capitalist class and endorsed the presidential candidates of the Democratic party. Thus the laborers were again left in the lurch.

The People's party was a government ownership party, but Mr. Hearst was not in favor of it at that time. Mr. Bryan declared during the campaign of 1896 that the government owned too much already, but somehow things have changed and he now says that government ownership must be a plank in the next national platform of the democratic party. Mr. Hearst with his great organizing ability and unlimited means and his half dozen daily newspapers is not only attracting public attention, but is creating a public sentiment in favor of government ownership, and at the same time is working up a large support and following among the organized labor forces throughout the country.

Here in California we have a Union Labor party in San Francisco, Los Angeles and Oakland, very largely supported by Hearst influences and as a corollary of this Union Labor party there is to be a convention on the 22nd of February, 1906, at Fresno, for the purpose of organizing the farmers into a government ownership party, and similar activities are going on all over the United States. The makers and leaders of the Populist party were not wage workers but were landed proprietors, lawyers and professional politicians; and in the new government ownership movement you will not find the real leaders and directors of the movement coming from the ranks of the industrialists. For instance, in California, the real leader of the Union Labor party is Abe

Ruef, a San Francisco attorney, who expects to arrive in the United States Senate as many others have done, on the backs of the "horny handed sons of toil." The working class now in the government ownership movement led by Hearst, Bryan and their co-workers will soon have the same experience as they previously had in the Kearney, Peoples' party and similar movements. When the critical moment arrives, the leaders of the government ownership party will go over to the large capitalist class, leaving the working class to its own fate. The same old story.

The working class must learn that they alone can solve the economic problem of our time. Let the working class, then, rely on itself; have more faith in itself; depend upon itself and its own strong arm; manage its own affairs; develop within itself its own executive ability and from its own earnings finance its political efforts and organization. I know of only one reason why the working class should be in politics, or interested in political campaigns, and that is to serve their economic class interest. Their economic interest can be served only by the abolition of all power of exploitation. The exploitation of labor is made possible by the capitalist ownership of the means of production. This private ownership of the means of production will continue as long as the capitalist class has possession of the political power; political power meaning the legislative, executive, judicial and military department of the government. The only political programme, therefore, in the interest of the working class is working class conquest of the political power for the sole purpose of abolishing the power of exploitation and the wage system.

The Union Labor party does not stand for this. The Government Ownership party does not stand for this. Hearst, Bryan, Dunne and Schmitz do not advocate this. The Socialist party alone proclaims this as its programme. The Socialist party is the only organized working class political movement in America at the present time representing the working class in their class struggle against the present ruling class. It is often said, "Socialism is a l right, but it is a long way off. We want something now." Nothing would be so potential in securing immediate concessions from the capitalists as revolutionary socialist votes.

Very few men in the United States in 1856 had the least idea that within ten years chattel slavery would be a thing of the past; few indeed were they who three years ago even dreamed of the great revolution that has taken place in Russia. And comparatively few people today are conscious of the impending social revolution, but the ablest sociological students throughout the world are aware of the great change close at hand. They know that greater than all reform movements, greater than all the economic organization of the working class, is the ever increasing socialist vote. The Socialist party is the party of the present, the party of the future. All the evolutionary forces of industrial development are back of the success of this movement. The unsatisfied desires, wants, necessities, hopes and ambitions of the working class are very rapidly compelling it to move forward and take its place in the ranks of the world-wide movement. Let no one delude himself with the idea that because the working class has been

asleep so long that it will never awake. The time is now at hand for its awakening. The giant labor shall arise from his bed of pain, "his chains to lose, his world to gain." Let no one think that because capitalism has been here so long that it is permanent and perpetual. It has done its work and has been necessary, but is now in the throes of dissolution. In all realms of life we see the universal law of change, and capitalist society can not escape the operation of this law.

"We are in Russia. The Neva is frozen. Heavy carriages roll upon its surface. They improvise a city. They lay out streets. They build houses. They buy. They sell. They laugh. They dance. They permit themselves anything. They even light fires on this water become granite. There is winter, there is ice and they shall last forever. A gleam pale and wan spreads over the sky and one would say that the sun is dead. But no, thou art not dead, oh Liberty! At an hour when they have most profoundly forgotten thee; at a moment when they least expect thee, thou shalt arise, oh, dazzling sight! Thou shalt shoot thy bright and burning rays, thy heat, thy life, on all this mass of ice become hideous and dead. Do you hear that dull thud, that crackling, deep and dreadful? 'Tis the Neva tearing loose. You said it was granite. See it splits like glass. 'Tis the breaking of the ice, I tell you. 'Tis the water alive, joyous and terrible. Progress recommences. 'Tis humanity again beginning its march. 'Tis the river which retakes its course, uproots, mangles, strikes together, crushes and drowns in its waves not only the empire of upstart Czar Nicholas, but all of the relics of

ancient and modern despotism. That trestle work floating away? It is the throne. That other trestle? It is the scaffold. That old book, half sunk? It is the old code of capitalist laws and morals. That old rookery just sinking? It is a tenement house in which wage slaves lived. See these all pass by; passing by never more to return; and for this immense engulfing, for this supreme victory of life over death, what has been the power necessary? One of thy looks, oh, sun! One stroke of thy strong arm, oh, labor!"



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